UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re: Chapter 7 Case

SRC Holding Corporation,
f/k/a Miller & Schroeder Financial, Inc.
and its subsidiaries,

BKY Case Nos. 02-40284 to 02-40286

Jointly Administered

Debtor.

Brian F. Leonard, Trustee, ADV Case No. 03-4155

Plaintiff,

vs.

James E. Iverson,

Defendant.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re: Chapter 7 Case

SRC Holding Corporation,
f/k/a Miller & Schroeder, Inc.
and its subsidiaries,

BKY Case Nos. 02-40284 to 02-40286

Jointly Administered

Debtors.

Brian F. Leonard, Trustee, ADV Case No.03-4153

Plaintiff,

vs.

Roger J. Wikner,

Defendant.

AFFIDAVIT OF MATTHEW R. BURTON

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

Matthew R. Burton, being first duly sworn, deposes and states as follows:

1. I am the attorney for the Plaintiff, Brian F. Leonard in each of the above-captioned adversary proceedings.

2. During the course of discovery, each Defendant produced their income tax returns for the year 1997. The first page of each return, together with the Schedule B (Interest and Dividend Income), for each Defendant is attached hereto as Exhibit A.

3. On each return, I have whited out the social security numbers, first names, the spouses' names (entirely) and the addresses for the protection of the Defendants.

4. This Affidavit is filed in support of Plaintiffs' pending motions and in opposition to the Defendants' motions for summary judgment.

FURTHER YOUR AFFIANT SAYETH NOT.

Dated: May 3, 2004

Matthew R. Burton

Subscribed and sworn to before me
this 3rd day of April, 2004.

Stephanie L Wood
Notary Public

STEPHANIE L. WOOD
Notary Public-Minnesota
My Commission Expires Jan 31, 2005

@PFDesktop\::ODMA/GRPWISE/GWDSTP.GWPOSTP.STPLIB1:197999.1

Form **1040** Department of the Treasury — Internal Revenue Service
U.S. Individual Income Tax Return 1997
(99) IRS Use Only - Do not write or staple in this space.

For the year Jan. 1-Dec. 31, 1997, or other tax year beginning , 1997, ending , 19 OMB No. 1545-0074

Label (See instructions on page 10.) Use the IRS label. Otherwise, please print or type.

LABEL HERE

Your first name and initial	Last name IVERSON
If a joint return, spouse's first name and initial	Last name
Home address (number and street). If you have a P.O. box, see page 10.	Apt. no.
City, town or post office, state, and ZIP code. If you have a foreign address, see page 10.	

Your social security number

Spouse's social security number

For help finding line instructions, see pages 2 and 3 in the booklet.

Presidential Election Campaign (See page 10.)

	Yes	No
Do you want $3 to go to this fund?		X
If a joint return, does your spouse want $3 to go to this fund?		X

Note: *Checking "Yes" will not change your tax or reduce your refund.*

Filing Status (Check only one box.)

1 [ ] Single
2 [X] Married filing joint return (even if only one had income)
3 [ ] Married filing separate return. Enter spouse's social security no. above and full name here. ▶
4 [ ] Head of household (with qualifying person). (See page 10.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 [ ] Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 10.)

Exemptions

6a [X] Yourself. If your parent (or someone else) can claim you as a dependent on his or her tax return, do not check box 6a
b [X] Spouse

No. of boxes checked on 6a and 6b: 2

c Dependents:

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) No. of months lived in your home in 1997

If more than six dependents, see page 10.

No. of your children on 6c who:
- lived with you
- did not live with you due to divorce or separation (see page 11)

Dependents on 6c not entered above

d Total number of exemptions claimed — Add numbers entered on lines above ▶ 2

Income

Attach Copy B of your Forms W-2, W-2G, and 1099-R here.

If you did not get a W-2, see page 12.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	335,412.
8a	Taxable interest. Attach Schedule B if required	8a	4,723.
b	Tax-exempt interest. DO NOT include on line 8a — 8b 126.		
9	Dividend income. Attach Schedule B if required	9	2,188.
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 12) STMT. 2	10	843.
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	-239,843.
13	Capital gain or (loss). Attach Schedule D	13	6,087,342.
14	Other gains or (losses). Attach Form 4797	14	
15a	Total IRA distributions 15a — b Taxable amount (see page 13)	15b	
16a	Total pensions and annuities 16a — b Taxable amount (see page 13)	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits 20a — b Taxable amount (see page 14)	20b	
21	Other income. List type and amount - see page 15 SEE STATEMENT 1	21	6,000.
22	Add the amounts in the far right column for lines 7 through 21. This is your **total income** ▶	22	6,196,665.

Adjusted Gross Income

If line 32 is under $29,290 (under $9,770 if a child did not live with you), see EIC inst. on page 22.

23	IRA deduction (see page 16)	23		
24	Medical savings account deduction. Attach Form 8853	24		
25	Moving expenses. Attach Form 3903 or 3903-F	25		
26	One-half of self-employment tax. Attach Schedule SE	26		
27	Self-employed health insurance deduction (see page 17)	27		
28	Keogh and self-employed SEP and SIMPLE plans	28		
29	Penalty on early withdrawal of savings	29		
30a	Alimony paid b Recipient's SSN ▶	30a		
31	Add lines 23 through 30a		31	
32	Subtract line 31 from line 22. This is your **adjusted gross income** ▶		32	6,196,665.

tabbies® EXHIBIT A

For Privacy Act and Paperwork Reduction Act Notice, see page 38.

JSA

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side. | Your social security number

IVERSON

Schedule B - Interest and Dividend Income

Attachment Sequence No. 08

Part I Interest Income (See pages 12 and B-1.)

Note: *If you had over $400 in taxable interest income, you must also complete Part III.*

Note: If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

			Amount
1	List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address ▶		
	SEE STATEMENT 8	1	4,723.
2	Add the amounts on line 1	2	4,723.
3	Excludable interest on series EE U.S. savings bonds issued after 1989 from Form 8815, line 14. You MUST attach Form 8815 to Form 1040	3	
4	Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a ▶	4	4,723.

Part II Dividend Income (See pages 12 and B-1.)

Note: *If you had over $400 in gross dividends and/or other distributions on stock, you must also complete Part III.*

Note: If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total dividends shown on that form.

				Amount
5	List name of payer. Include gross dividends and/or other distributions on stock here. Any capital gain distributions and nontaxable distributions will be deducted on lines 7 and 8 ▶			
	TX-BA INVESTMENT SVCS		5	2,172.
	TX-SMITH BARNEY			16.
6	Add the amounts on line 5		6	2,188.
7	Capital gain distributions. Enter here and on Schedule D	7		
8	Nontaxable distributions. (See the inst. for Form 1040, line 9.)	8		
9	Add lines 7 and 8		9	
10	Subtract line 9 from line 6. Enter the result here and on Form 1040, line 9 ▶		10	2,188.

Part III Foreign Accounts and Trusts (See page B-2.)

You must complete this part if you (a) had over $400 of interest or dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

		Yes	No
11a	At any time during 1997, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1		X
b	If "Yes," enter the name of the foreign country ▶		
12	During 1997, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520 or 926. See page B-2		X

Form **1040** Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return **1997** (99) IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 1997, or other tax year beginning , 1997, ending , 19 | OMB No. 1545-0074

Label (See instructions.)
Use the IRS label. Otherwise, please print or type.

LABEL HERE

Your first name and initial	Last name WIKNER	Your social security number
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Home address (number and street). If you have a P.O. box, see instructions.	Apt. no.	**For help in finding line instructions, see the booklet.**
City, town or post office, state, and ZIP code. If you have a foreign address, see instructions.		

Presidential Election Campaign (See instructions.)

	Yes	No	**Note:** Checking "Yes" will not change your tax or reduce your refund.
Do you want $3 to go to this fund?		X	
If a joint return, does your spouse want $3 to go to this fund?		X	

Filing Status

Check only one box.

1 [ ] Single
2 [X] Married filing joint return (even if only one had income)
3 [ ] Married filing separate return. Enter spouse's social security no. above and full name here. ▶
4 [ ] Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 [ ] Qualifying widow(er) with dependent child (year spouse died ▶19). (See instructions.)

Exemptions

6a [X] **Yourself.** If your parent (or someone else) can claim you as a dependent on his or her tax return, **do not** check box 6a
b [X] **Spouse**

No. of boxes checked on 6a and 6b: 2

c **Dependents:**

If more than six dependents, see the instructions.

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) No. of mos. lived in your home in 1997

No. of your children on 6c who:
● lived with you: 1
● did not live with you due to divorce or separation (see instructions)
Dependents on 6c not entered above
Add numbers entered on lines above ▶

d Total number of exemptions claimed

Income

Attach Copy B of your Forms W-2, W-2G, and 1099-R here.

If you did not get a W-2, see the instructions.

Enclose but do not attach any payment. Also, please use Form 1040-V.

7	Wages, salaries, tips, etc. Attach Form(s) W-2		7	468,851
8a	**Taxable** interest. Attach Schedule B if required		8a	102,487
b	**Tax-exempt** interest. DO NOT include on line 8a	8b 36,020		
9	Dividends. Attach Schedule B if required		9	51,37
10	Taxable refunds, credits, or offsets of state and local income taxes (see instructions)		10	21,47
11	Alimony received		11	
12	Business income or (loss). Attach Schedule C or C-EZ		12	13,07
13	Capital gain or (loss). Attach Schedule D		13	6,629,93
14	Other gains or (losses). Attach Form 4797		14	62,62
15a	Total IRA distributions 15a	b Taxable amount (see instructions)	15b	
16a	Total pensions and annuities 16a	b Taxable amount (see instructions)	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		17	541,23
18	Farm income or (loss). Attach Schedule F		18	
19	Unemployment compensation		19	
20a	Social security benefits 20a	b Taxable amount (see instructions)	20b	
21	Other income. List type and amount—see instructions See Stmt 1		21	106,75
22	Add the amounts in the far right column for lines 7 through 21. This is your **total income** ▶		22	7,997,81

Adjusted Gross Income

If line 32 is under $29,290 (under $9,770 if a child did not live with you), see the instructions.

23	IRA deduction (see instructions)	23			
24	Medical savings account deduction. Attach Form 8853	24			
25	Moving expenses. Attach Form 3903 or 3903-F	25			
26	One-half of self-employment tax. Attach Schedule SE	26	175		
27	Self-employed health insurance deduction (see instructions)	27	1,252		
28	Keogh and self-employed SEP and SIMPLE plans	28			
29	Penalty on early withdrawal of savings	29			
30a	Alimony paid b Recipient's SSN ▶	30a			
31	Add lines 23 through 30a			31	1,42
32	Subtract line 31 from line 22. This is your **adjusted gross income** ▶			32	7,996,39

For Privacy Act and Paperwork Reduction Act Notice, See Instructions. Form **1040** (1997)

JXB F 10/22/97

Name(s) shown on Form 1040. Do not enter name and social security number if shown on page 1 — WIKNER

Your social security number

Schedule B - Interest and Dividend Income

Attachment Sequence No 08

Part I Interest Income

(See instructions.)

Note: If you had over $400 in taxable interest income, you must also complete Part III.

Note: If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see instructions and list this interest first. Also, show that buyer's social security number and address ▶

			Amount
INTEREST FROM K-1'S	See Stmt 10	1	27,464
	See Stmt 11		111,043
TAX-EXEMPT INTEREST			-36,020
2 Add the amounts on line 1		2	102,487
3 Excludable interest on series EE U.S. savings bonds issued after 1989 from Form 8815, line 14. You MUST attach Form 8815 to Form 1040		3	
4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a ▶		4	102,487

Part II Dividend Income

(See instructions.)

Note: If you had over $400 in gross dividends and/or other distributions on stock, you must also complete Part III.

Note: If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total dividends shown on that form.

5 List name of payer. Include gross dividends and/or other distributions on stock here. Any capital gain distributions and nontaxable distributions will be deducted on lines 7 and 8 ▶

		Amount
	5	60
		51,316
6 Add the amounts on line 5	6	51,376
7 Capital gain distributions. Enter here and on Schedule D — 7		
8 Nontaxable distributions. (See the inst. for Form 1040, line 9.) — 8		
9 Add lines 7 and 8	9	
10 Subtract line 9 from line 6. Enter the result here and on Form 1040, line 9 ▶	10	51,376

Part III Foreign Accounts and Trusts

(See instructions.)

You must complete this part if you (a) had over $400 of interest or dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

	Yes	No
11a At any time during 1997, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions for exceptions and filing requirements for Form TD F 90-22.1		X
b If "Yes," enter the name of the foreign country ▶		
12 During 1997, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520 or 926. See instructions		X

JXS F 10/20/97

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re: Chapter 7 Case

SRC Holding Corporation,
f/k/a Miller & Schroeder, Inc.
and its subsidiaries,

BKY Case Nos. 02-40284 to 02-40286

Jointly Administered

Debtors.

Brian F. Leonard, Trustee,

Adv. Case No. 03-4153

Plaintiff,

vs.

Roger J. Wikner,

Defendant.

UNSWORN CERTIFICATE OF SERVICE

I, Stephanie Wood, declare under penalty of perjury that on the 3rd day of May, 2004, I faxed a copy of the annexed ***Affidavit of Matthew R. Burton*** on:

Larry B. Ricke, Esq.
Leonard Street & Deinard
150 South Fifth Street
Suite 2300
Minneapolis, MN 55402
Fax No.: 612-335-1657

by faxing to all parties copies thereof, directed to said party at the last known fax number of said parties.

Dated: May 3, 2004

Stephanie Wood
Stephanie Wood

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